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PECORA HEARINGS, THE GLASS-STEAGALL ACT, AND  
THE SECURITIES AND EXCHANGE COMMISSION: A SELECTED BIBLIOGRAPHY

Following introductory comments, the selected bibliography is divided into three sections: Pecora Hearings, Glass-Steagall Act, and Securities and Exchange Commission.

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CONTENTS

PECORA HEARINGS . . . . .	2
GLASS-STEAGALL ACT . . . . .	5
SECURITIES AND EXCHANGE COMMISSION . . . . .	5

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PECORA HEARINGS, THE GLASS-STEAGALL ACT, AND  
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Ferdinand Pecora, appointed Counsel for the Senate Banking Committee on January 24, 1933, lent his name to hearings that year which probed unsavory stock market practices. The wide ranging hearings included disclosure of questionable security sales practices by commercial banks. Investigations into the National City Bank and J. P Morgan and Company were especially revealing. According to one authority, "The public response to the Morgan hearings was directly responsible for the passage of the Banking Act of 1933, which, among other things, required private banks to limit themselves either to receiving deposits or to providing investment services. . . . On May 27, President Roosevelt signed into law the Securities Act of 1933, the most important consequence to that date of the stock exchange hearings."<sup>1/</sup> The four sections of the Banking Act of 1933 which require the separation of investment banking and commercial banking are generally referred to as the Glass-Steagall Act.

This bibliography is in three sections: Pecora Hearings, Glass-Steagall Act, and Securities and Exchange Commission.

The first section, titled Pecora Hearings, is annotated. Most of the references in this bibliography were selected from the Library of Congress Computerized Catalog and the computerized data base (SDIF) created by the Library Services Division of the Congressional Research Service. These references were supplemented by a search of Lockheed's Dialog system using Dial index (file 411) to search the system's ten relevant business and economics files. Citations were drawn from two of these databases: Harvard Business Review (file 122) and FINIS: Financial Industry Information (file 268).

The second section, Glass-Steagall Act, consists of law journal articles cited in a CRS report; see Chapter IV, "Glass-Steagall Act: The Separation of Commercial and Investment Banking," of Natter, Raymond. Formation and Powers of National Banking Associations—A Legal Primer; prepared by the American Law Division, Congressional Research Service, Library of Congress, for the Committee on Banking, Finance, and Urban Affairs, House of Representatives, 98th Congress, 1st session. Washington, U.S. G.P.O., 1983. 245 p. This report also cites relevant case law and congressional hearings.

The third section, Securities and Exchange Commission, consists of books dealing with the history of the Securities and Exchange Commission (SEC). The SEC was authorized by Congress in the Securities Exchange Act of 1934, legislation which also stemmed from the Pecora Hearings.

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<sup>1/</sup> Seligman, Joel. The Transformation of Wall Street. Boston, Houghton Mifflin, 1982. p. 38.

PECORA HEARINGS

Angermueller, Hans H., and Taylor, Michael A.

Commercial vs. investment bankers. Harvard business review, v. 55, Sept.-Oct. 1977: 132-144.

Presents pro and con articles debating, "resolved: that the growing presence of large commercial banks in the securities business is desirable as well as legal."

Hans Angermueller of Citicorp, who argues the case for, believes that banks should be allowed to perform investment advisory functions as a way of helping to meet the nation's unprecedented capital requirements. The greater accessibility and geographic distribution of commercial banks would guarantee greater market participation by households, hence a greater inflow of capital and greater efficiency of financial intermediaries.

Michael Taylor of Paine Webber, who argues the case against, holds that greater bank involvement would weaken competition because of cost inequities and restrictions on advertising and product development. Bank participation is unlikely to increase the amount of capital for investment because geographic distribution would probably not extend beyond cities in which brokerage offices already exist. More bank involvement in the securities business could have a negative impact on bank stability. It could compromise banks' abilities to perform their essential credit and depository functions. The domination over yet another process of capital formation and investment would be a serious challenge to our pluralist, free enterprise system. (Excerpted in part from Dialog file 122)

Conference on Securities Regulation, Duke University, 1964.

Conference on Securities Regulation, edited by Robert H. Mundheim. New York, Commerce Clearing House, 1965. 232 p.

Papers and discussions from a conference held at Duke University School of Law, Nov. 6-7, 1964.

Congressional investigations. Capitol studies, v. 5, fall 1977: 5-118.

Contents.--Congressional investigations: the proper approach, by R. McClory.--Constitutional and statutory limitations on congressional investigations, by R. Carr.--The political dimensions of congressional investigations, by R. Davidson.--The investigation of General Arthur St. Clair, 1792-1793, by P. Furlong.--The legislative impact of the 1933-1934 Pecora stock exchange investigation, by D. Ritchie.--Investigating the executive intelligence: the fate of the Pike Committee, by J. Freeman.

Congressional Research Service. American Law Division.

Attorney-client privilege; memoranda opinions of the American Law Division, Library of Congress for the use of the Subcommittee on Oversight and Investigations of the Committee on Energy and Commerce, U.S. House of Representatives. Washington, G.P.O., 1983. 115 p.

At head of title: 98th Congress, 1st session. Committee print 98-I

Presents two memoranda, dated Sept. 3, 1982, and May 24, 1983, by Morton Rosenberg, specialist in American public law, and a response to the Sept. 3 memorandum, dated Feb. 17, 1983, by Nathan Lewin, counsel for SEC commissioner John M. Fedders.

Cowing, Cedric B.

Populists, plungers, and progressives; a social history of stock and commodity speculation, 1890-1936, by Cedric B. Cowing. Princeton, N.J., Princeton University Press, 1965. 299 p.

Hausserman, Oscar William.

Securities exchange act of 1934: lectures by Oscar W. Hausserman, delivered November 17 and December 1, 1937 at the Exchange Club in Boston before the Investment Bankers' Conference, inc., New England District. Hausserman, c1937. 60 p.

Huertas, Thomas F.

An economic brief against Glass-Steagall. Journal of bank research, v. 15, autumn 1984: 148-159.

Examines the rationale for Glass-Steagall, contends that the law "was based on faulty logic and irrelevant evidence," shows that commercial banks can and do engage in activities identical or functionally equivalent to investment banking, reviews how current regulation and legislation addresses the concerns raised by Glass-Steagall, discusses benefits derived by the investment banking community and costs imposed on the economy by the law and proposes a financial system to replace Glass-Steagall.

Lefevre, Edwin.

Reminiscences of a stock operator. Dallas, Books of Wall Street, 1976. 299 p.

Reprint of the 1923 ed. published by G. H. Doran, New York.

McCraw, Thomas K.

With consent of the governed: SEC's formative years. Journal of policy analysis and management, v. 1, spring 1982: 346-370.

Offers an account of the early years of the Securities and Exchange Commission as a "possible source of some hypotheses about the ingredients of regulatory success, in particular how agencies may use the interests that are the targets of regulation in promoting the enforcement of public policy."

Ney, Richard.

The Wall Street gang. Foreword by Lee Metcalf. New York, Praeger [1974] 284 p.

Includes bibliographical references.

Pecora, Ferdinand.

Wall Street under oath; the story of our modern money changers. Clifton, A. M. Kelley, 1973 [c1939] 311 p. (Library of money and banking history)

Based on hearings held by the U.S. Senate Committee on Banking and Currency in 1933 and 1934.

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Wall Street under oath; the story of our modern money changers. New York, A. M. Kelley, 1968 c1939. 311 p. (Reprints of economic classics)

Based on hearings held by the U.S. Senate Committee on Banking and Currency in 1933 and 1934.

Sobel, Robert.

N.Y.S.E.: a history of the New York Stock Exchange, 1935-1975. New York, Weybright and Talley, [1975] 398 p.

Includes index.

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U.S. Comptroller of the Currency.

Glass-Steagall Act--a history of its legislative origins and regulatory construction. Banking law journal, v. 92, Jan. 1975: 38-61.

Portions of a letter, dated June 10, 1974, to the Investment Company Institute, affirming the position of the Comptroller's office that under the Glass-Steagall Act national banks may offer automatic investment services to their clients.

United States. Congress. Senate. Committee on Banking and Currency.

Stock exchange practices. Report of the Committee on banking and currency pursuant to S. Res. 84 (72d Congress) a resolution to investigate practices of stock exchanges with respect to the buying and selling and the borrowing and lending of listed securities and S. Res. 56 and S. Res. 97 (73rd Congress) resolutions to investigate the matter of banking operations and practices, transactions relating to any sale, exchange, purchase, acquisition, borrowing, lending, financing, issuing, distributing, or other disposition of, or dealing in, securities or credit by any person or firm, partnership, company, association, corporation, or other entity, with a view to recommending necessary legislation, under the taxing power or other federal powers . . . Washington, G.P.O., 1934. 394 p. (73rd Congress, 2d session. Senate. Rept. 1455)

United States. Congress. Senate. Committee on Banking and Currency.

Stock exchange practices / U.S. Senate Committee on Banking and Currency. New York, Arno Press, 1975. 394 p.

Commonly known as the Fletcher report, Reprint of Senate report no. 1455, 73rd Congress 2d session, published in 1934.

Includes bibliographical references.

Wall Street and the security markets.

Vernon, Raymond.

The regulation of stock exchange members. New York, Da Capo Press, 1972, c1941. 152 p. (Franklin D. Roosevelt and the era of the New Deal)

Originally presented as the author's thesis, Columbia.

Bibliography: p. 143-146.

Welles, Chris.

The last days of the club. New York, Dutton, 1975. 460 p.

Includes index.

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Wigmore, Barrie A.

The crash and its aftermath: a history of securities markets in the United States, 1929-1933. Westport, Conn., Greenwood Press, 1985. 731 p.

Includes index.

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2/ Articles cited in Chapter IV, "Glass-Steagall Act: The Separation of Commercial and Investment Banking," of Natter, Raymond. Formation and Powers of National Banking Associations--a Legal Primer; prepared by the American Law Division, Congressional Research Service, Library of Congress, for the Committee on Banking, Finance, and Urban Affairs, House of Representatives, 98th Congress, 1st session. Washington, U.S. G.P.O., 1983. 245 p.

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